

**WASHINGTON. D.C.** – A report released by the Congressional Budget Office (CBO) states that the agency ‘estimates that...an additional 600,000 to 1.6 million people were employed’ as a result of the stimulus. In other words, CBO is so uncertain about the value Americans are getting for their money that there is a 1-million job difference between its ‘low’ and ‘high’ estimates of job creation.

“The CBO report provides very little comfort to the 15.7 million Americans currently unemployed,” Issa said. “We know that the economy has lost more than four million jobs since passage of the stimulus. The CBO report does not account for how many of those jobs were lost as a result of \$787 billion in deficit spending that takes money out of the private sector. What we have is a stimulus that is paying for government jobs with private sector jobs and has failed to lower unemployment.”

The reason for this uncertainty becomes clear when you look at the multipliers CBO uses on page 4 of the report to estimate the amount of economic value created by each dollar of government spending in the different components of the stimulus. For example, if you believe that for every dollar of government spending you get \$2.50 of economic value, then you can argue that there were 1.6 million jobs created by government purchases of goods and services in the stimulus. It’s hard to believe that the average American on the street would buy such creative accounting. At the low end of the estimate, the government is only creating \$1 of economic value for every \$1 of direct purchases of goods and services. The low estimates for other areas of the stimulus are far less inspiring: Transfer payments to state and local

governments to close budget gaps may have created just 70 cents on the dollar in economic value, while one-time payments to retirees and the extension of the first-time homebuyer tax credit may have produced as little as 20 cents of growth for every dollar spent. That's not a good return on our investment.

"The Obama Administration continues to use propaganda to mislead the American people about the effects of the so-called stimulus," Issa said. Vice President Biden claims 'more than 1 million jobs' were created by the stimulus, yet nowhere in the CBO report does it state that 'more than 1 million jobs were created.'"

Issa added, "And where do the dollars spent come from? They come from borrowing against the future, running up record deficits, which Americans and their children and grandchildren will have to pay for in the future through confiscatory taxes and a weakened dollar. It's time for the Obama Administration to stop using wasteful government spending programs and misleading statistics to substantiate their mythical jobs 'created or saved' numbers. Instead, they should work on a bipartisan basis with Congress to implement pro-growth policies that will reduce the tax burden, lower the deficit, improve Americans' long-term economic well-being and put the economy back on a sustainable footing."

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